

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

DEPOSITION OF MR. HAGAI GOREN

Held in Israel on:

January 17th, 2008

Transcribed BY:

הפרוטוקול נרשם ע"י:



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טל. 03-5242404, 03-5221022

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Goren

Adv. Bak: Thank you, we agree. 1

Adv. Matetsky: Mr. Goren, do you declare that the testimony tha2
you give today will be true and correct under penalty8
of perjury under the laws of the United States of 4
America. 5

Witness: I do. 6

Adv. Matetsky: Please state your full name. 7

Witness: Hagai Goren. 8

9

Mr. Hagai Goren responding to questions from Adv. I. Matetsky

Adv. Matetsky: Sir, are you employed? 11

A: Yes. 12

Q: By whom are you employed? 13

A: By ImageSat International and by ImageSat Israel. 14

Q: What is the relationship between ImageSat 15

International and 16

ImageSat Israel? 17

A: ImageSat Israel is a fully owned subsidiary of 18

ImageSat International. 19

Q: What is your job position at ImageSat International? 20

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Goren

A: That is not correct. It is registered in Israel also but 1
not as a local company, as a foreign company. 2
Q: It is registered in Israel as a foreign company? 3
A: A foreign company. 4
Q: And did you do that or was that in place before you 5
arrived? 6
A: That was before I arrived. 7
Q: Where is ImageSat Israel registered primarily? 8
A: It is registered here in Israel. 9
Q: No, where is ImageSat International incorporated? 10
A: Since the time that I am with the company, it is the 11
Netherlands Antilles. 12
Q: Do you know why the Netherlands Antilles was 13
chosen, or was that before your time? 14
A: That was before my time. 15
Q: Have you ever discussed with anyone why the 16
Netherlands Antilles was chosen as the place of 17
incorporation? 18
A: Well, I did discuss it. 19
Q: With whom? 20

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Goren

A: A couple of people, including Mr. Wilson. 1
Q: And do you have a general understanding as to why the 2
Netherlands Antilles, 3
A: It was for marketing, mainly for marketing issues. In 4
other words, not to be too much identified with the 5
State of Israel and local entities in Israel. 6
Q: And so it was decided to incorporate the company 7
outside Israel? 8
A: That is correct. 9
Q: Now, given that it was going to be outside Israel, do 10
you have an understanding of why it was the 11
Netherlands Antilles versus some place else? 12
A: No, I don't know. 13
Q: Does the company have any activity in the Netherlands 14
Antilles? 15
A: Probably it does all that is necessary to keep its 16
registration, to pay its taxes, to provide tax reports 17
and whatever it takes. 18
Q: So the company does paper work in the Netherlands 19
Antilles? 20

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Goren

A: Sometimes. 1
Adv. Bak: Objection, objection to the extent that you are 2
mischaracterizing the prior testimony. But you can 3
answer. 4
Q: Apart from what you have just described, does the 5
company do anything else in the Netherlands Antilles? 6
A: Not that I am aware of. 7
Q: Have you ever been to the Netherlands Antilles? 8
A: No. 9
Q: Has a board meeting ever been held in the Netherlands 10
Antilles since you have been at the company? 11
A: Not since I was with the company, no. 12
Q: Has a board meeting ever been held in Israel since you 13
were with the company? 14
A: Well, yes and no. Yes because all what we call the 15
conference call board meetings usually are taken here, 16
and the other members are joining through the 17
telephone to the meeting. 18
Q: O.K., some meetings are held by conference call, 19
correct? 20

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Goren

Q: O.K. Were there any other people who came to board meetings regularly, as opposed to coming to maybe 2 one board meeting, who live in the United States or 3 work in the United States? 4

A: Not that I recall except the names that I mentioned 5 before. 6

Q: O.K. so where have the board meetings been held since you joined the company? I mean the board meetings 8 that are held with all or most of the board members in the same place? 10

A: Either in London or New York. 11

Q: Do you have an understanding as to why New York 12 and London were chosen as the place of meetings? 13

A: According to my knowledge, New York was because 14 it was most convenient for the American participants, 15 and a great deal of the participants, as we said, live 16 in America. London because it is closer to Israel and 17 the company was looking for a closer place to Israel to 18 make things more convenient and hopefully cheaper 19 in terms of expenses. 20

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Goren

Q: The meetings that were held in New York, were the 1
Israeli directors of the company able to attend? 2
A: In the board meetings? 3
Q: Yes. 4
A: Yes. 5
Q: They got on a plane and they went to New York? 6
A: Yes. 7
Q: They got a place to stay in New York? 8
A: Yes. 9
Q: Did they have any trouble getting to New York? 10
Adv. Bak: Objection. How is he supposed to know the level of 11
difficulty they had getting to New York? 12
A: I don't know. 13
Q: By the way, you mentioned Pegasus having observed 14
as well as having board members. Do you know what 15
the status is on how many board members Pegasus has? 16
A: You mean right now? 17
Q: Right now. 18
A: Right now they have one board member. 19
Q: And that person lives in New York? 20

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Goren

Q: O.K. Now, did you understand that the company was
going to be looking to do an IPO? 2

A: What do you mean, looking to do? 3

Q: The company wanted to do an IPO? 4

A: Yes. 5

Q: And did you understand that the company wanted to do
an IPO in the United States? 7

A: Yes. 8

Q: Did you understand why the company wanted to do its
IPO in the United States? 10

A: From what I understood and that was also my 11
impression, is that the United States market, 12
specifically the NASDAQ Stock Exchange, is the most
suitable for that kind of IPO, at least if you compare it
to the Tel Aviv markets or some others, because this
kind of investor that you can meet there will perceive
such an IPO or such an offer and buy it more easily 17
than other investors all over the world. 18

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Goren

Q: And so was it your understanding that the board and I
senior management were planning at some point to do
the IPO in the United States? 3
A: Yes. 4
Q: And specifically in New York? 5
A: Yes. 6
Q: And within the United States, why New York? 7
A: It is not New York, we were talking about the 8
NASDAQ Stock Exchange. We did not talk about New
York as a location. We talk about the Stock Exchange
itself, and we compare it to – by the way, one of the
things that we can see there at the time was London 12
And we decided that New York or the NASDAQ is 13
more suitable stock exchange to come with this idea 14
Q: More suitable than London? 15
A: Than London. And also more suitable than Tel Aviv 16
for sure. 17
Q: Or any place else? 18
A: These were the three that were sort of brought up. 19

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Goren

Q: And who made the decision to go with NASDAQ or go
with the United States? 2

A: Well, the final decision is made by the board 3
obviously. Suggestions can come from myself, or from
the CEO at the time. We got a lot of consultation 5
through the experience of the Pegasus group because
they have a lot of experience on that. They went to the
stock exchange with a few other companies, or at least
that is what they said. 9

Q: Did the board and management, which might include
yourself, consult with any outside professional 11
advisers about where to do the IPO? For example, did
you talk to Merrill Lynch? 13

A: Well obviously when we made the contacts and then
searching we talked with, not with Merrill Lynch but
we talked with Night Line and UBS and specifically
with the team that was to Galil later on and the 17
process. 18

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Goren

Q: But I am focusing early in the process where the topic
was where the IPO should be done. Did you consult 2
with them about that topic? 3

A: Yes, we consulted with the team from UBS also. Not 4
me personally but members of the company that Mr. 5
Braude knew or Jacob Weiss knew from the past 6
experience of the company. 7

Q: And these were UBS personnel located in New York? 8

A: Yes. 9

Q: And was the head of the team Mr. Omar Jafri? 10

A: Yes. 11

Q: The Merrill Lynch personnel were also in New York? 12

A: I don't know anything about Merrill Lynch. Not in my 13
time. 14

Q: O.K. By the time you started working with Mr. Jafri, 15
was he at UBS? 16

A: Yes. 17

Q: Did you ever meet Mr. Jafri? 18

A: Yes. 19

Q: Where did you meet with him? 20

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Goren

all kinds of consultations. Does that mean 1
consultations on more than one topic? 2
A: I believe so. 3
Q: Was it your understanding that the Ernest & Young 4
personnel in New York were reviewing the financial 5
statements fairly thoroughly? 6
A: I don't remember. I don't remember if we got to that 7
stage when we start the IPO, but at the end of the 8
process before we submitted to the SEC, that all 9
financials should be reviewed by Ernest & Young 10
New York because this as far as I know is the 11
procedure. But I don't remember if we were at that 12
stage or we didn't reach to that point, I don't 13
remember. 14
Q: So the intention was that Ernest & Young New York 15
would do a complete review of current financial 16
statements? 17
A: I don't know but I believe so, yes. 18

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Goren

Q: Do you know what time period that review would 1
span? Was it the current year, the previous year, both, 2
do you know? 3
A: All the financials as were presented in the F1 which 4
I remember was the last three years before the IPO. 5
Q: Did anyone from Ernest & Young in New York ever 6
contact you with any questions? 7
A: No. 8
Q: Did anyone from Kost Forer Gabai ever call you, 9
relaying a question from Ernest & Young in New 10
York? 11
A: No, not that I remember, no. 12
Q: Did they ask you questions that led you to say to 13
yourself, you know, it is probably New York asking 14
this question? 15
A: No. 16
Q: Did you ever discuss with anyone else at the company 17
the fact that Ernest & Young in New York was 18
participating in the review of the financials? 19
A: Yes. 20

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A: Well, the main leader of the team was a man by the 1
name of Eric Shafrir, but also with his team. 2
Q: Do you know an accountant named Sharon Zelesky? 3
A: Yes, that was one of the team. 4
Q: In Israel as well? 5
A: Yes. 6
Q: And I know I asked you this before but do you have 7
any recollection of any of the E&Y people in New 8
York who worked on the matter? 9
A: No. 10
Q: I am going to mark this Goren Exhibit 6, an e-mail that
you sent to Mr. Wilson on July 26th of 2005. This 12
mail is from Mr. Goren to Mr. Wilson. It shows as an 13
attachment, although we haven't printed it out, an 14
attachment draft of the 2004 financial and in its 15
entirety it reads: "Steve, as we agreed before please 16
find attached the draft of the 2004 financials. These 17
financials have to go still to be reviewed by Ernest 18
Young New York and there might be change therefore. 19
The financials would not yet have been approved by 20

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the ImageSat board of directors". Is this an e-mail ydu
sent to Mr. Wilson? And then it is signed by you and2
has your phone number? 3

A: Yes. 4

Q: Did you send Mr. Wilson a set of financials on July 5
26th 2005 with the note that they still had to be 6
reviewed by E&Y in New York? 7

A: If that is what it says. I don't remember exactly whe8,
what time I sent the financials, but if that is what it 9
says I believe that I sent it. 10

Q: And was it a true statement that the financials still had
to be reviewed by E&Y in New York? 12

A: Yes. 13

Q: O.K., we are done with that document. I am going 14
mark as Goren Exhibit No. 7 an e-mail chain that ends
with an e-mail dated Wednesday August 10th 200516
from Mr. Goren to Mr. Wilson. And Mr. Goren, 17
although there are three e-mails in this document, 18
really going to ask you primarily about the top one19
The second e-mail is from Mr. Wilson to you, corr20t?

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A:	Yes.	1
Q:	And is the top e-mail from you to Mr. Wilson	2
	responding to Mr. Wilson?	3
A:	Yes.	4
Q:	And in his e-mail Mr. Wilson is pushing for you to	5
	send him the financial statements for him to use in	6
	Venezuela?	7
A:	Yes.	8
Q:	And in the top e-mail you are responding to Mr.	9
	Wilson, correct?	10
A:	Yes.	11
Q:	And I'll read it in. It is from you to Mr. Wilson dated	12
	August 10 2005. It says: "I can only provide you with	13
	what I have got! I shall send you the draft of the 2004	14
	financials as soon as they will be reviewed by E&Y in	15
	New York. We had too many surprises coming from	16
	the auditors in this connection. Signed, Hagai". Is that	17
	an e-mail you sent to Mr. Wilson on August 10th	18
	2005?	19
A:	I believe so.	20

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Goren

Witness: Yes I believe so. 1
Q: I am going to go through it with you and again, I am 2
going to read every word of it out to try and help out 3
the people listening in. 4
A: Including the dirty words? 5
Q: Including unfortunately the dirty words. 6
A: O.K. 7
Q: They are not the worst words I have ever seen. It says: 8
"Steve, I appreciate your concern on the issue. It is 9
really a frustrating process. I can give you several 10
reasons for the delay in issuing the 2004 financials, 11
but when I am analyzing it backwards I realize that 12 the
main reason derived from the fact that ImageSat is 13
planning to go public (to go public is bold faced). 14
Following this everybody (and mainly the auditors) 15 is
trying to cover his arse. E&Y Israel is looking all the 16
time to see what E&Y NY will have to say, and E&Y 17
NY is looking beyond their shoulders to see what the 18
SEC will have to say". Anybody on the phone, do you 19

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Goren

need this entire e-mail? There are about four more 1
paragraphs to be read into the record. 2

Adv. Hurwitz: Well, if there are going to be questions asked about 3
them I'd like it read, but I only need whatever is being 4
asked about. 5

Adv. Matetsky: In fairness to Mr. Hurwitz there is a reference in 6
the e-mail to IAI so I'm going to read it clearly and 7
distinctly so he can know about that. But I'll stop for 8
now and ask, where the contents of this paragraph that 9
I read so far true and accurate to the best of your 10
knowledge? 11

Witness: Well, I would say first of all it is true, I guess, 12
because I wrote this e-mail. But it is also true that 13
what I am saying about E&Y Israel, E&Y New York, 14
and the fact that they are also looking to the SEC is 15
probably my interpretation of the situation. It is 16
nothing that was said or written or said formally. 17

Q: It was your interpretation of things that were said? 18

A: It is my interpretation to the process and the reason 19
it being so long and so delayed. 20

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Goren

Q: Was this your personal opinion of what was the 1
situation as of this date? 2

A: I guess so, yes. 3

Q: And that was based on the process you had been 4
through and the observations you had made? 5

A: Yes. 6

Q: And your years of experience with the IPO process? 7

A: Not so much experience but yes, I guess quite a bit of 8
experience during this process at that point of time. 9
We are looking at August of 2005. 10

Q: O.K., I am going to read the next paragraph of the 11
mail. It says: "Due to this reason the auditors forced 12
us, for instance, to adjust the value of the Eros C 13
satellite, previously Eros B1, in the books by more 14
than 30 million dollars. To do this we had to go 15
through a three months negotiation with IAI". Were 16
these true statements? 17

A: Yes. 18

Q: It says: "This is only one (big) example. We had to do 19
a re-valuation of the company's securities that were 20

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issued in the year 2000 and 2001 during the financing
of the company by Pegasus and the refinancing when
Bank Leumi came in. E&Y forced us to take an
external expert to do this revaluation. We had to re-
examine and change the revenue recognition of SOP3
and SOP4. All these changes and others went back to
the balance sheets for the years 2000 through 2004".
Were the statements in this paragraph correct?

A: Yes, correct.

Q: Who is the external expert who did the revaluation?

A: I think it was Empire Evaluation, I believe that is the
name.

Q: Where are they located?

A: New York.

Q: Do you remember the name of a particular person at
Empire Evaluation?

A: Mark Shane.

Q: Were they located in New York City?

A: By the way, I must emphasize here that we didn't
mean, at the end of the day we closed terms of

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Goren

A:	No.	1
Q:	Let's take a break.	2
	(Tape Change - Short Break)	3
Adv. Matetsky:	We are going to move on to a different topic. Did	
	the company during all or part of the time you were	5
	employed there send communications to the	6
	shareholders called Investor Reports?	7
Witness:	Yes.	8
Q:	What was the purpose of the Investor Reports?	9
A:	To brief the investors and the shareholders on the how	
	events in the company and give them an idea what is	
	going on.	12
Q:	Did you play a role in drafting the Investor Report?	13
A:	Yes.	14
Q:	Who else participated in drafting the Investor Report?	
A:	Basically everybody including the CEO that has some	
	kind of official responsibility, like the technical	17
	people, the marketing, me as the CFO. Basically this is	
	it.	19

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Goren

Q: Was it the intention of the company in sending these reports to be conveying accurate information to the shareholders? 2 3

A: I believe so, yes. 4

Q: Was it the intention of the company to be presenting reliable information to the shareholders? 5 6

A: Yes. 7

Q: Did you ever come to learn that any of the information in the Investor Reports was inaccurate? 8 9

A: No, not that I recall. 10

Q: O.K. Was the intention to send the Investor Reports to all the shareholders? 11 12

A: Yes. 13

Q: Were they sent to the directors? 14

A: To tell you the truth I don't really know because I was not in charge of the distribution of that. 15 16

Q: Who was in charge? 17

A: There was a girl that took responsibility for the public relations of the company and the investor relations. 18

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Goren

by the name of Ms. Karen Goldwasser or whatever, I
don't even remember. Anisfield, Anisfield. 2
Q: O.K., let me just mark this, we are not going to spend
a lot of time, just so there is a sample in the record. 4
Let me mark it Goren Exhibit 9, a copy of the Investor
Report from August of 2005, three pages. Is this what
an Investor Report looked like? 7
A: Yes, usually yes. 8
Q: Were Investor Reports already being sent out as of the
time you joined the company? 10
A: Can you repeat the question? 11
Q: Yes, we are actually not going to look at this 12
document any more, I just wanted to have a sample. 13
You joined the company in September 2003, correct? 14
A: Yes. 15
Q: Was the company already sending out Investor Reports
by then? 16
A: Yes. 18
Q: Were they sent out at a particular frequency, monthly,
quarterly? 20

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Goren

- A: I got the impression that it was supposed to be sent 1
every month. I cannot assure you that it was sent every 2
and each month, but that was the main idea. 3
- Q: O.K. I am going to mark as Goren Exhibit 10 an e-mail 4
from Karen Gold Anisfield to a number of people 5
dated August 23rd 2005, and this e-mail reads in its 6
entirety: "Dear Investors and Shareholders, attached 7
please find the August 2005 Investors Report for your 8
review. If you have any questions please send them to 9
Hagai Goren, CFO at, (and there is Mr. Goren's e-mail 10
address). Best regards, Karen". By this point were the 11
Investor Reports being sent out by e-mail. 12
- A: Yes, they were sent by e-mail usually. 13
- Q: Now at the top you see, like any other e-mail letter, 14
there is a From line and a To line. 15
- A: Yes. 16
- Q: And there is a list of names and I just want to quickly 17
run through these names. The first is Arik Spier. Who 18
is that? 19
- A: It is the auditor. 20

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Goren

Q: Here in Israel? 1
A: Yes, with Kost Forer Gabai. 2
Q: Avi Turnbull? 3
A: He used to be the CEO of IAI at the time. 4
Q: Let me try and save some time instead of reading all 5 of
these names. Do you see that Geoffrey Steiner is on 6
the list? 7
A: Yes. 8
Q: Who is Mr. Steiner? 9
A: He is I believe one of the investors in the company 10
Q: Did he invest through a vehicle called Wiss Partners? 11
A: Yes. 12
Q: O.K., is that a company that is largely owned by 13
Fairchild Industries? 14
A: I think so, yes. 15
Q: Do you know where they are located? 16
A: To tell you the truth, no, and it is a good question 17
because at the beginning I thought they are a French 18
company and then I realized that, I think they are 19
located in the United States. I am not sure even un 20

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	today where is their exact location.	1
Q:	O.K. Do you see the name of Jim de Palma here? Right	2
	after Steiner?	3
A:	Yes.	4
Q:	Who is he?	5
A:	He is a director for the company from Core Software	6
	also one of the investors.	7
Q:	Core is a U.S. company?	8
A:	Yes.	9
Q:	California based, I think?	10
A:	Pasadena, I think, that is California?	11
Q:	Pasadena is California, yes. And we said before Mr de	12
	Palma was in Connecticut?	13
A:	Yes.	14
Q:	The next name is Joel Levine. Who is Mr. Levine?	15
A:	I believe one of the investors.	16
Q:	Do you know where he lives?	17
A:	No.	18
Q:	Do you know where he works?	19
A:	No.	20

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Goren

Q: The next name is Jonathan Berger. Is that the Jonathan Berger from Pegasus whom we discussed earlier? 2
A: Yes. 3
Q: On this list is the name of Peter Nesgas. Is that the attorney at Milbank in New York? 4 5
A: That is correct. 6
Q: Did he receive these reports? 7
A: Yes, That's what it looks like. 8
Q: On the next line there is a name Robert Lapenta. Do you know who that is? 9 10
A: Yes, that is also one of the investors. 11
Q: Is he also connected with Core Software? 12
A: I think so. 13
Q: Does he live in the United States? 14
A: I think so. 15
Q: Does he work in the United States? 16
A: I don't know if he works, but I – all the information on these guys, I don't know them personally, maybe I had but I don't even remember that I was corresponding 17 18 19

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Goren

with them. Basically most of the information I got 1
from Mr. Steve Wilson here. 2
Q: O.K., the next name is Robert W. Miller. Who is tha? 3
A: I believe also one of this group, one of these investo4s.
Q: An American investor? 5
A: Yes. 6
Q: On the next line is the name of Steve Wilson. Was he a 7
shareholder? 8
A: Yes. 9
Q: After that is the name of Stephen Waycaster. Who is 10
that? 11
A: Also a representative from Pegasus. 12
Q: Are there any other people on this list whom you 13
recognize as coming from the United States? 14
A: Casey Davis. 15
Q: Who is that? 16
A: She represented also one of the investors in the 17
Pegasus group, Merrill Lynch, I think. 18
Q: And that is Merrill Lynch in the United States? 19
A: Yes. 20

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Goren

Q: Any others? 1
A: No. Dave Kruger has American citizenship. 2
Q: How about Pierre Olivier Ben Sael – I am sure I am 3
pronouncing that wrong? Who is that? 4
A: He also represents or worked for one of the French 5
investors in the company. 6
Q: Do you know where he was located? 7
A: I believe in France, I don't know exactly but I believe 8
in France. 9
Q: How about the third last name, Yoram Ginach? What is 10
that? 11
A: Yoram Ginach I think he also represents one of the 12
small investors in the company, a company at the time 13
was called Lloyds Investment, and I believe that a 14
couple of months ago we received notification that 15
they changed the name of the company, but that was 16
the name at that time. 17
Q: And is Mr. Ginach a lawyer in New York City? 18
A: I believe so, I am not sure. To tell you the truth, I 19
don't know. The name is an Israeli name but probably,

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17/1/2008

Goren

I don't know, if he was located in the United States I
don't know. 2

Q: Do you know whether the distribution list for the 3
Investor Reports changed substantially over time? 4

A: I wouldn't say substantially but there were here and 5
there changes to the list, as far as I remember. 6

Q: But the intention was always to send it to the 7
shareholders and then some additional people? 8

A: Yes. 9

Q: And it would go to the shareholders regardless of 10
where they lived? 11

A: Yes. 12

Q: Including the shareholders in the U.S.? 13

A: Yes. 14

Q: I am going to mark as Goren Exhibit No. 11 a set of 15
board minutes dated February 25th 2005. I am going to 16
ask the witness not to read all ten pages, but I am 17
going to ask him, your name is typed, it says at the 18
end Hagai Goren, Company Secretary. You didn't 19
actually physically sign these, but are these the format 20

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Stenogram Ltd

(DFE) Deposition of Mr. H.

17/1/2008

Goren

that the company conducts almost no business in New
York, what business does it conduct in New York? 2
Witness: First of all you have to be aware that I didn't put this
wording into this motion to dismiss. What I put is this
document that we have seen before, the declaration, 5
and I don't remember that it contains that the company
almost didn't do. I don't know of any business in New
York or in the United States that the company did. A81
I can say is that the company was trying or putting 9
efforts to try to get business in the United States, 10
unfortunately with no success. 11
Q: When you say business do you mean an SOP? Do you
mean revenue or do you mean raising money? 13
A: I mean revenue. 14
Q: What activities is the company engaged in in the 15
United States to try and raise revenue? 16
A: I am not the right person to ask. 17
Q: You are the last person who is going to be here this
week. You know what, that this is a 30 B6 deposition,
so you really are the right person to ask. I'm speaking

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Stenogram Ltd

(DFE) Deposition of Mr. H.

17/1/2008

Goren

in code, I'm speaking to Mr. Bak. To the best of your
knowledge, what activities is the company engaged in
to try and raise revenue in the United States? 3

A: I can only say, 4

Adv. Bak: Hold on. He said engaged in the present tense was 5
your question, I think. The witness' testimony was that
he is aware that there have been some efforts. But that
is a fair question. If you are aware of any efforts to 8
obtain revenue in the United States, then answer this 9
question. 10

Witness: That is what I am trying to do. 11

Q: Please. 12

A: Since I was with the company I was aware that the 13
company is very much keen and wants to get some 14
kind of contracts from the United States entities or 15
customers. And there were all kinds of meetings either
directly or indirectly that were done with officials, 17
entities or others, as I said directly or not directly. 18
was not participating in any one of these so I cannot 19
give any details of that nature. All I know is that a 20

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Stenogram Ltd

(DFE) Deposition of Mr. H.

17/1/2008

Goren

the finance guy in the company, we didn't succeed, 1
because if we did succeed I would have seen the 2
agreements and revenues coming in and I did not. That 3
is all I know. 4

Q: Do you know who the prospective customers were? 5

A: No. 6

Q: Was one of them the State of California? 7

A: The State of California I just heard recently. Are we 8
talking about recently? 9

Q: We are talking about at any time from 2003 to date, 10
efforts to raise revenue in the United States. 11

A: I know that recently there was some research and 12
contacts done with the State of California, I don't 13
know with whom, I don't know what came out of it. 14

Q: Were there meetings in California? 15

A: I don't know. With the United States I think but I don't 16
know if it was California. 17

Q: There were meetings in the United States about the 18
California effort? 19

A: I think so, yes. 20

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Stenogram Ltd

(DFE) Deposition of Mr. H.

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Goren

Q: Who attended the meetings, who from the company 1
attended the meetings? 2
A: I think Shimon. 3
Q: Anyone else? 4
A: Nobody that I know. 5
Q: How many meetings were there? 6
A: I don't know. 7
Q: When were the meetings? 8
A: I don't know but I heard about it I would say in the 9
last three or four months. That was the first time I 10
heard about it. 11
Q: And is that work still ongoing? 12
A: I don't know. 13
Q: How about a federal agency called the National 14
Geospatial Information Agency? Is that a U.S. 15
customer who is being solicited? 16
A: This is a U.S. customer, a potential, that I know that 17
the company tried to reach from all kinds of 18
directions, and I don't think it was a successful effort 19
so far. 20

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Stenogram Ltd

(DFE) Deposition of Mr. H.

17/1/2008

Goren

Q: Is the effort ongoing? 1
A: Basically yes. 2
Q: Have there been meetings in the U.S.? 3
A: There was at least one meeting or one presentation 4
done there as I remember. But I don't know if, in the 5
last one or one and a half years. 6
Q: Who attended the meetings on behalf of ImageSat? 7
A: The specific one that I am referring to was a technical 8
meeting, so I heard, as I say, I was not participating, 9
but they gave a technical presentation of let's say 10
capabilities. And I believe that Braude was there, Dave 11
Kruger, Moshe Bar Lev. That is the one I remember. 12
Q: From those names that meeting must have occurred a 13
little while ago. Have there been more recent 14
meetings? 15
A: Not that I am aware of. 16
Q: This agency that we are discussing is the largest 17
customer for satellite imagery in the world, isn't that 18
right? 19
A: Yes, that is what I think. 20

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Stenogram Ltd

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17/1/2008

Goren

Q:	Is it fair to say that ImageSat would have made a	1
	sustain effort to try to market to them?	2
A:	Yes.	3
Q:	Who at ImageSat would know more about this?	4
A:	Obviously the CEO in the relevant periods and the	5
	marketing vice-president.	6
Q:	Now in your declaration,	7
A:	Maybe Mr. Kruger at the time.	8
Q:	Now in your declaration previously marked as your	9
	Exhibit 3 you state in paragraph 18: "ImageSat does	10
	not presently have any customers based in the State of	11
	New York".	12
A:	Yes.	13
Q:	When you used the word presently there, did ImageSat	14
	previously have any customers based in the State of	15
	New York?	16
A:	No.	17
Q:	Did ImageSat previously solicit any customers based	18
	in the State of New York?	19
A:	What do you mean, solicit?	20

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Stenogram Ltd

(DFE) Deposition of Mr. H.

17/1/2008

Goren

Q: Seek to find a customer in New York? 1
A: In New York specifically? 2
Q: O.K., let's expand, in the United States? 3
A: In the United States, yes. 4
Q: And we have mentioned two. Were there others? 5
A: What do you mean, we have mentioned two? 6
Q: We have mentioned the State of California and we 7
have mentioned the National Geospatial Agency. 8
A: Yes, there were others. 9
Q: What were the others? 10
A: I remember one attempt to arrange some kind of joint
venture with some American entity, I don't know even
the name, that is running, operating a ground station
somewhere in the United States and try to go towards
this entity, for instance. But I don't know more than
this one, I think, which doesn't mean anything. That is
not my business in the company. 17
Q: Well, when you made the statement in paragraph 18
the same thing we just looked at, that ImageSat does
not presently have any customers based in New York,

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(DFE) Deposition of Mr. H.

17/1/2008

Goren

A:	Yes.	1
Q:	Who is Mr. de Vries?	2
A:	Eric de Vries is our Netherlands Antilles legal	3
	counsel.	4
Q:	Since you have been involved in the company in 2003,	
	has ImageSat always had legal counsel in the	6
	Netherlands Antilles?	7
A:	Yes, not necessarily Mr. de Vries but yes.	8
Q:	Do you know whether Mr. de Vries maintains	9
	corporate records of the company in the Netherlands	
	Antilles?	11
A:	Yes he does.	12
Q:	Does ImageSat have any other professional service	13
	providers located in the Netherlands Antilles?	14
A:	Yes, we have a local office, a firm that handles all our	
	registration, paper work, everything that has to do	16
	with our activity within the Netherlands Antilles.	17
Q:	Do you know the name of that company?	18

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(DFE) Deposition of Mr. H.

17/1/2008

Goren

A: They used to be called ING something but I think they
changed their name recently. I don't remember the new
name. 3

Q: Does ImageSat have professional accountants located
in the Netherlands Antilles? 5

A: Yes. 6

Q: Do you know the name of that company? 7

A: I believe it is KP&G, one of the four big auditing
companies. 9

Q: You testified earlier that to the best of your
recollection you have not traveled to the Netherlands
Antilles on ImageSat business, correct? 12

A: Correct. 13

Q: Are you familiar with whether anyone associated with
ImageSat has traveled to Netherlands Antilles for
ImageSat business? 16

A: During my period with the company I am aware of two
persons, maybe it is more than one trip per person but
two persons that traveled. One was our legal adviser,
legal counsel in house, Efrat Klein, and the other one

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Goren

is Mr. Steve Wilson. I know that he went there at least
once or twice for all kinds of legal documents that had
to do with trying to get the SOP contract in Venezuela.
Q: Do you know the approximate time period when Mr. 4
Wilson made, you said it was one trip or more than 5
one trip? 6
A: I think two trips but I am not sure. 7
Q: Do you know the time period for those trips? 8
A: It was back in 2005, I don't know the exact month. 9
Q: During that time period Mr. Wilson was affiliated 10
some capacity with ImageSat? 11
A: Yes, Mr. Wilson worked as an external consultant for
the company to assist in achieving or signing an 13
agreement in Venezuela. 14
Q: And to the best of your understanding these trips by
Mr. Wilson to the Netherlands Antilles were related to
ImageSat business? 17
Adv. Matetsky: Objection to the plural. 18
Q: I will ask you to take a look at the declaration that you
submitted in connection with our motion to dismiss 20

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Goren

Q: Did you discuss with him the fact that he was going to
be asking you questions? 2

Adv. Bak: Objection, and I do take offense at a question that is
intentionally grounded and obtaining attorney/client
privilege. 5

Adv. Matetsky: No, I think that one is actually O.K. 6

Adv. Bak: If you want to ask him about documents that is one
thing, but you are directly asking for the substance of
our conversation. 9

Adv. Matetsky: Are you instructing him not to answer? 10

Adv. Bak: Correct. 11

Adv. Matetsky: Does the company do any business in the
Netherlands Antilles? 13

Witness: Well, it depends what you call business but I think the
answer is no. 15

Q: O.K. Has the company ever solicited any customers in
the Netherlands Antilles? 17

A: No. 18

Q: Is there an SOP with the Government of Curacao under
discussion? 20

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Stenogram Ltd

(DFE) Deposition of Mr. H.

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Goren

A:	No.	1
Q:	Does the company have any employees in the	2
	Netherlands Antilles?	3
A:	No.	4
Q:	Has it ever had any employees?	5
A:	Not as far as I know, no.	6
Q:	When Mr. Wilson went to Curacao, for the record he	7
	tells me it only happened once, but whenever Mr.	8
	Wilson,	9
Adv. Bak:	Whoa, whoa, what is that?	10
Adv. Matetsky:	It is a comment for the record.	11
Adv. Bak:	It is not O.K., it is an improper attempt to test the	12
	witness. The witness is not under oath. I move to	13
	strike your statement from the record.	14
Q:	Whenever Mr. Wilson went to Curacao, did he go there	
	to obtain legal documents?	16
A:	I believe so, yes.	17
Q:	Do you know of any other reason he went there?	18
	Exclude personal reasons. Did he have any other	19
	business reason to be there?	20

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(DFE) Deposition of Mr. H.

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Goren

A: Not that I can remember. All I know is, by the way, 1
from correspondence which was handled between Mr2
Wilson and myself, so I was not present there. 3
Q: And the other person you mentioned who went to the4
Netherlands Antilles was Ms. Klein? 5
A: Yes. 6
Q: She was a lawyer for the company? 7
A: Yes. 8
Q: Do you know why she went to Curacao? 9
A: Yes, I think this was around the time that we just 10
changed our legal counsel over there and she was 11
going to try to help and to meet the new firm and to 12
try to initiate the process of transferring the material. 13
Q: So it was in conjunction with legal matters? 14
A: Yes, mostly legal, yes. 15
Q: Not in conjunction with business matters? 16
A: Exactly. 17
Q: O.K. Now there was reference to documents that are 18
held by the lawyers in the Netherlands Antilles. Does 19
the law firm of Milbank, Tweed, Hadley & McCloy 20

(DFE) Deposition of Mr. H.

17/1/2008

Goren

Q: O.K., now with respect to these minutes, do you 1
remember how far back they went? 2
A: I don't remember but quite far. 3
Q: Did they go as far back so that the company was at one 4
point called West Indian Space rather than ImageSat? 5
A: Yes it did, yes. 6
Q: And these are files that are accessible to you? 7
A: Yes, they are accessible to me. 8
Q: O.K., and the file of nominations and elections records 9
was also accessible to you? 10
A: Yes. 11
Q: O.K. Was there a practice at ImageSat, at least during 12
the years that you have been there, that when a 13
director can't come he sends somebody in his place? 14
A: There was. In the instances a guy was not present, it is 15
not that he sent somebody else to replace him but he 16
gave a power of attorney to a proxy, to one of the 17
other board members, to vote for him on board issues. 18
That is the procedure that I was involved in. 19

(DFE) Deposition of Mr. H.

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Goren

Q: But for example, Core Software has the right to 1
designate a director, correct? 2
A: Yes. 3
Q: And did it ever happen that the officially designated 4
director from Core couldn't go to the meeting so 5
somebody else would go in his place? 6
A: Since the time that I arrived to the company, Mr. de 7
Palma for quite a long period of time was an alternate 8
director for, as far as I remember, Mr. Bob Lapenta. 9
mean, the official nomination was for Lapenta, and 10
he was participating as alternate director. 11
Q: So the concept of alternate director did exist/? 12
A: Yes. 13
Q: There were some people who were called alternate 14
directors? 15
A: Yes. 16
Q: Do you know if Mr. Eldar was ever introduced to 17
anyone as an alternate director/ 18
A: I don't know. 19